

VZCZCXYZ0000
RR RUEHWEB

DE RUEHBU #1315/01 1872009
ZNR UUUUU ZZH
R 062009Z JUL 07
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC 8599
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUCPDO/USDOC WASHINGTON DC
RULSDMK/DEPT OF TRANSPORTATION WASHINGTON DC
RHMFIUU/DEPT OF HOMELAND SECURITY WASHINGTON DC
RHMFIUU/HQ USSOUTHCOM MIAMI FL
RUEHAC/AMEMBASSY ASUNCION 6333
RUEHMN/AMEMBASSY MONTEVIDEO 6565
RUEHSG/AMEMBASSY SANTIAGO 0560
RUEHBR/AMEMBASSY BRASILIA 6198
RUEHSG/AMEMBASSY SANTIAGO 0561
RUEHPE/AMEMBASSY LIMA 2096
RUEHBO/AMEMBASSY BOGOTA 1590
RUEHLP/AMEMBASSY LA PAZ JUL CARACAS 1335
RUEHVL/AMEMBASSY VILNIUS 0121
RUEHGT/AMEMBASSY GUATEMALA 0284
RUEHMD/AMEMBASSY MADRID 1868
RUEHSO/AMCONSUL SAO PAULO 3407
RUEHRI/AMCONSUL RIO DE JANEIRO 2268

UNCLAS BUENOS AIRES 001315

SIPDIS

SIPDIS

PASS NSC FOR JOSE CARDENAS, ROD HUNTER
PASS USTR FOR SUE CRONIN AND MARY SULLIVAN
TREASURY FOR MATT MALLOY
TRANSPORTATION FOR BRIAN HEDBERG
COMMERCE FOR EUGENE ALFORD

E.O. 12958: N/A
TAGS: [ECON](#) [EAIR](#) [EINV](#) [ETRD](#) [AR](#)

SUBJECT: U.S., Argentina Sign Milestone Aviation Accord

¶1. (U) SUMMARY: On July 3, in a public and widely-publicized ceremony, the Ambassador and Argentine Foreign Minister Taiana signed an aviation accord that significantly expands air service between our two countries, and contains an important and modernized security chapter. The accord was hailed in the press as the first U.S.-Argentine economic accord signed in President Kirchner's four years in office. The accord achieved a breakthrough in terms of ultimately doubling frequencies between the two nations, and also enhanced Argentina access to the U.S. aviation market and access to markets in other regions. The agreement represented the culmination of over a year of close collaboration among and between Post, State/EEB, L/EB, WHA, Departments of Transportation and Commerce, U.S. carriers, and the GOA. The deal also represents an important step in improving our bilateral relationship. End Summary.

¶2. (U) On July 3, in a public ceremony which received wide and positive media coverage, Ambassador and Foreign Minister Taiana signed a landmark aviation accord, the culmination of over a year of hard work between the USG and GOA. The accord amended the 1985 bilateral Air Transport Service Agreement, and will allow expanded air service between the two countries. The new amendments will immediately increase the number of weekly passenger frequencies that U.S. and Argentine airlines may operate between the two countries from 56 to 77. By March 2009, the number of frequencies will double to 112, and the number of American cities Argentine airlines may serve will increase from nine to 14. The accord also significantly expands the route rights for Argentine carriers on their U.S.-connected service to destinations in Canada, the Caribbean, Central America, Mexico, Europe and Asia. It will also allow an unlimited number of charter flights between the two countries, and will modernize the existing agreement's provisions on aviation security and pricing.

¶3. (U) The ceremony was held at the Foreign Ministry, and was attended by high level GOA officials in the Secretaries of Transportation and Tourism, U.S. and Argentine carrier representatives, and U.S. and Argentine tourism officials. It was followed by lunch at the U.S.-Argentine AmCham, with FM Taiana as the guest of honor (septel).

¶4. (U) The agreement represented the culmination of over a year of hard work and close collaboration among and between Post, State/EEB, L/EB, WHA, Departments of Transportation and Commerce, U.S. carriers, and the GOA. Post thanks our colleagues at State, Transportation and Commerce for their efforts and support.

¶5. (U) The deal also represents an important step in improving our bilateral relationship. Occurring a day before an equally successful and widely covered Fourth of July event at the Ambassador's residence, the signing marked an important milestone in recent bilateral relations. The fact that the GOA was willing to sign and publicly acknowledge this aviation deal, in the midst of an election campaign, indicates the GoA's continued interest in and acknowledgement of the importance of close US-Argentine commercial ties.

¶6. (U) Comment: Embassy was able to focus the GoA's attention on the likely gains in terms of tourism, job creation, and even trade and investment boosts as by-products of this deal. This is an important agreement for Argentina and the obvious benefits outweighed whatever hesitation the GoA might have had about signing such a deal with the U.S. during an election year and in the face of some limited opposition from domestic carriers and labor unions. This is a positive step as Post continues to try and improve U.S.-Argentine ties - commercial and otherwise - and hopefully an indication of more to come. End Comment.

WAYNE